

Introduction

Good morning. My name is Davina Maddox, and I am the Program Manager, in the MassHealth Office of Provider Network at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to regulation 101 CMR 323.00: *Rates for Hearing Services*. The proposed amendments are effective for dates of service on or after November 1, 2023.

Background

Regulation 101 CMR 323.00 governs the payment rates by MassHealth and other governmental purchasers for hearing services provided to publicly aided individuals and industrial accident patients. Hearing services include testing related to the determination of hearing loss, evaluation of hearing aids, the prescription of hearing aid devices, and aural rehabilitation.

Description of Proposed Amendments

EOHHS proposes to increase the rates for certain hearing services covered under 101 CMR 323.00 by a two-year prospective cost adjustment factor (CAF) of 2.71%. The CAF of 2.71% is developed using a base period of quarter three of calendar year 2023 and a two-year prospective rate period of quarter four of calendar year 2023 through quarter three of calendar year 2025. The CAF was calculated using the optimistic forecast of the Massachusetts-specific Consumer Price Index (CPI) Fall 2022 developed by IHS Markit Economics.

For hearing services that currently have rates established as adjusted acquisition cost (AAC) plus mark-up, the mark-up will be increased by the CAF of 2.71%. Dispensing fees covered under the regulation (procedure codes V5090, V5110, V5160, V5200, V5240, and V5241) will be increased by an additional 5% administrative adjustment to maintain access.

Certain bone-anchored hearing aid (BAHA) services (procedure codes L8691, L8693, and L8694) will be set at 100% of the corresponding Medicare January 2023 rates. The rate for the remaining

Testimony on Amendments to 101 CMR 323.00
Rates of Payment for Hearing Services
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BAHA service (procedure code L8692) will be set at individual consideration (I.C.). All other rates are proposed to remain at their current levels.

Fiscal Impact

The estimated aggregate annual fiscal impact of the proposed amendments is \$212,000 over the FY2022 base spending of \$7 million.

This concludes my testimony.

Thank you.